Filed for intro on 02/08/95 Senate Bill_____ By

House No. HB0792 By Arriola, Jr.

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 29 and Title 71, Chapter 5, relative to the drug utilization review board for the TennCare program.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-5-151, is amended by deleting the word "Tennessee" and by substituting instead the word "TennCare".

SECTION 2. Tennessee Code Annotated, Section 71-5-152, is amended by deleting the section in its entirety, and by substituting instead the following language:

There is hereby created the TennCare drug utilization review board which shall have independent oversight of processes and requirements related to drug formularies and prior approval and medical override standards utilized by managed care organizations which contract with the state to provide health care under the TennCare program.

SECTION 3. Tennessee Code Annotated, Section 71-5-153, subdivisions (1) and (2), are amended by deleting the words "Tennessee medicaid program" and by substituting instead the words "TennCare program".

Section 71-5-153, is further amended in subdivision (4) by deleting the words "medicaid's medical support unit" and by substituting instead the words "TennCare with expertise in medicine and pharmacology".

Section 71-5-153, is further amended by designating the existing language as subsection (a), and by adding the following language to be designated as subsection (b):

(b) No board member or ex officio member shall have an employment or ownership interest in or relationship with a managed care organization, or a subcontractor thereof, which contracts with the state to provide health care under the TennCare program nor shall a board member or ex officio member have an employment or ownership interest in or relationship with a pharmaceutical company; except that such prohibition shall not include services as a provider of health care to TennCare patients or enrollees.

SECTION 4. Tennessee Code Annotated, Section 71-5-157, is amended by deleting the section in its entirety and by substituting instead the following language:

The board shall be responsible for:

- (1) Adopting uniform standards, processes and requirements related to communication by managed care organizations with its patients, enrollees and providers, including uniform processes for the use of prior approval and medical override standards;
 - (2) Periodic review of the adequacy of drug formularies; and
- (3) Reviewing deletions of drugs from the formularies. Such review shall occur within thirty (30) days of the date such action occurs.

SECTION 5. Tennessee Code Annotated, Section 71-5-159, is amended by deleting the section in its entirety.

SECTION 6. Tennessee Code Annotated, Section 4-29-220(a), is amended by adding a new item thereto:

() TennCare drug utilization review board, created by Section 71-5-152;

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SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring

it.

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